

**ISSUES IN STRATEGIC PLANNING**

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I will explore some of the elements in IDRC's planning process and how this has evolved over the years to better address IDRC's mission and objectives. None of the ideas I'm going to outline involves completely novel ideas but the process we've followed, which has been tailored to meet IDRC's own corporate culture and style, may be of some interest to you in deciding how to refine your own strategic planning.

IDRC was created by an Act of Parliament in 1970: "to initiate, encourage, support and conduct research into the problems of the developing regions of the world and into the means for applying and adapting scientific, technical and other knowledge to the economic and social advancement of these regions,..."²

There were many different ideas proposed in the early days of IDRC about the kind of organization it should become with some suggesting it be a type of think-tank; others, that it focus on providing technical assistance of the kind so common to most of the other development assistance agencies. Fortunately, IDRC decided on a direction that was almost completely novel at

¹ Director, Office of Planning and Evaluation, International Development Research Centre. The views expressed in this paper are those of the author and do not necessarily represent those of the IDRC.

² International Development Research Centre Act, Ottawa: Revised Statutes of Canada, 1970, p. 766.

ARCHIV
DANIEL
no. 11

that time by adopting a responsive approach to the needs of research institutions in the Third World. IDRC would forge a new style by respecting the priorities of developing country researchers rather than setting its own agenda. I believe this approach has not only stood the test of time, but has increasingly been adopted by other development agencies. There is an interesting parallel to IDRC's approach with the evolution in strategic thinking that has been taking place in the private sector through the analysis of Japanese corporate strategy and the publications of Michael Porter which I shall refer to later.

To ensure that IDRC support was tailored to the needs of each particular situation, to each institution's needs, it was necessary to give a great deal of autonomy to individual program staff and to minimize the number of policy constraints which could inhibit their degree of responsiveness in any particular case. Some key parameters, of course, had to be decided and the Board of Governors adopted eleven key policy guidelines which were to serve as the basic framework for IDRC programming decisions in the first six or seven years. The degree of freedom accorded to individual programs and staff allowed IDRC to recruit a number of the most capable professional scientists operating in Canada and abroad who were attracted by the flexibility and innovativeness offered by this IDRC approach.

While the organization has undergone a considerable evolution over the years, I think it would be fair to state that we have striven to maintain these two key elements of responsiveness and flexibility as constants in the organization as our experience continues to show the benefits derived from these policies.

As the organization grew from its original small base to an organization that now employs some 600 plus employees world-wide

and which has supported more than 3,800 projects to date, the kind of planning and structure possible, as well as appropriate, for IDRC inevitably changed as well. Increasing staff size meant we had to take steps to ensure that the sense of mission and clarity of purpose and policy, easy to maintain when we were a small agency, did not become diffused and lost. The increasing number of program staff based in what are now six regional offices allowed us to gradually develop a regional perspective in addition to the sectoral focus with which IDRC began. This meant, however, that the process of integrating new dimensions in IDRC's programming decisions became more complex and required new procedures.

New developments in information technology and organizational theory also provided opportunities for IDRC to revise its systems to become more efficient and effective. One of the key changes introduced by the President in organizational structure has been to increase the level of responsibility and signing authority delegated to each level of management in the organization. Other changes in the management structure have reduced the levels of management between the CEO and the individual program staff. These changes are in line with the flatter organizational structures being proposed by leading management writers such as those outlined by Peter Drucker in his publication The Coming of the New Age. Drucker's reference to the symphony orchestra as an example of this type of organization illustrates the importance of ensuring that the planning process allows all employees to clearly understand and support the corporate strategy just as all the symphony players must follow the same score to be effective.

Another element in encouraging change in IDRC's planning system was the experience gained from assessing the increasing number of IDRC-supported projects. There was a feeling in IDRC

that we could develop major synergistic benefits if we could encourage greater linkage between the different disciplines and research sectors which have traditionally operated in isolation. There was also recognition that there has been a growing number of achievements by researchers and institutions, but major delays in utilization of the results. Integration at both the vertical as well as horizontal levels had to be encouraged.

These factors led IDRC to undertake a major review several years ago of the research and development process and IDRC's role in promoting the contribution of science to development. The result has been an evolutionary development requiring changes both in the way that IDRC defines and plans its strategies as well as in the policies and procedures IDRC follows in its programs. There are many perceived advantages in the basic philosophy established by the Board of Governors in their early meetings and a strong commitment by IDRC staff to the organization which we did not want to destroy or lose in the process of change.

It may be useful to briefly outline some of the changes which have taken place in both structure and procedure before I attempt to highlight some of the key planning principles which have guided IDRC in evolving new approaches. Originally, IDRC used only an annual Program of Work and Budget in which each division prepared an elaborate statement of planned activities and reported on how individual program areas were attempting to address critical research priorities identified by developing country researchers. These plans were based on an extensive process of consultation which IDRC staff developed and still maintain with these researchers through travel to individual institutions, workshops and other means. The Board reviewed and provided continuing guidance to staff during discussions on these annual plans and on individual projects submitted throughout the

year.

Beginning with the appointment of a new President in 1978, the Centre began to introduce changes which have been accelerated in this decade. New policy-making bodies were created at both the management and Board levels and a central secretariat was established to serve these committees. New Centre-wide units were created in cross-disciplinary areas such as nutrition and women in development and program staff were increasingly decentralized to regional offices with more than half of the program staff now based outside Ottawa. These changes facilitated the development of interdisciplinary projects drawing on staff from a number of different divisions.

The establishment of the Office of Planning and Evaluation in 1980 created a policy analysis unit which could support the development of a more long-range planning process. The Centre has created an annual rolling medium-range five-year plan and indepth sectoral plans, including external reviews, carried out approximately every five years on a rotational basis.

What principles have guided the Centre in revising its strategic planning system? The key principle has been the recognition that the process is as important as the product. For a responsive organization like IDRC with so many different markets and programs, we are sceptical about the benefits of global corporate strategic plans which impose a certain rigidity on all actors. At the same time, it is important to be as clear as possible about the vision which guides IDRC and the basic operating principles Centre staff must endorse. Thus one of the Centre's planning documents stated that: "the aim of the new phase of strategic planning is to create a less ambiguous atmosphere in which to exercise staff discretion, to provide broad indications of policy intentions and to initiate processes

of information-sharing and consultation to improve operational effectiveness. In short it was recognized that the role of the "top" is not to make all the decisions but to create an organization that will make its own decisions effectively."

We have developed a number of ways to try to balance both a "bottom-up" as well as a "top-down" perspective in the process of building a consensus on a Centre strategy. Both divisional and regional office staff meetings are held annually to review strategy and annual plans. Some program staff participate in both regional and divisional meetings. In addition, all senior managers participated in an extensive series of seminars held over a ten-week period several years ago. Staff working groups composed of staff at all different levels were established to review and identify ways of improving Centre activities. A special committee was created to analyze all Centre projects in terms of the broad development themes they addressed. These methods have no doubt been demanding in terms of staff time but this investment in staff participation and the changes that have been brought about as a result are seen as having amply justified this approach. This process has helped refine the Centre's strategy in which all staff have some ownership, clarifies our own understanding, and enables the Centre to provide a consistent message to the outside world.

The key elements of this strategy are similar to those found in other organizations with the Centre's mandate as a given in the Act of Parliament, a mission statement which defines our goal and an objectives statement which defines the outcomes that can reasonably be expected from Centre activities (in partnership with recipient institutions and sometimes with other donor agencies). Given that research is only a means to development -- the end -- the mission statement deals with the ultimate beneficiaries of research, while IDRC's objectives statement

deals with researchers and research institutions as intermediate agents.

What has become clear is that IDRC has to continue to expand its efforts to understand not only the needs and priorities of researchers and research institutions but to understand how research contributes to the whole development process. This requires not only endogenous information about the distribution, nature and effectiveness of the Centre's own efforts and interventions, but also exogenous information about the environment within which the Centre operates. This includes information about general social, economic and political conditions in the Third World, the flow of resources, both external and national, to research systems and the state of capability and performance of research organizations. There is thus a strong parallel with the kind of market research required in the private sector. There is also a parallel with the private sector in the increasing emphasis we are giving to collecting and analyzing information on the nature of the research for development process. Michael Porter has profoundly influenced the private sector with his analysis of the firm as a value chain and how systematic examination of the value chain of the company and the users of the company products can improve the firm's competitive advantage. "The key to successful differentiation, for example, is a thorough understanding of the user's value chain, which, in turn, determines the user's needs" ³. IDRC's ability to understand user needs and how research can most effectively contribute to meeting these needs will increasingly determine the value of its activities. Thus box A in the attached figure is assuming more importance in IDRC's

³ Reimann, Bernard C., "Sustaining the Competitive Advantage" in The Planning Review, March/April, 1989. Volume 17, No. 2, p. 31.

strategic planning process.

In developing this process of strategic planning, the Centre has been conscious of the need to keep the process as administratively light as possible and to minimize the resources necessary to achieve an effective system. The Centre has utilized working groups in this process, but these groups have been used on a one time basis only so that there is no continuing diversion of staff resources from regular responsibilities. A major revision of the whole planning process is now underway with the objective not only of consolidating the gains derived from the process outlined above but to also reduce the total resources necessary to maintain it.

This review has stressed some of the key principles of evolution, involvement, market research, and simplicity which have guided IDRC's attempts to refine its strategic planning without losing the key principles of flexibility and responsiveness which have been the hallmark of IDRC's style.

Figure 1

